

Demands

- Improved pipeline integrity
- · Improved coating performance.
 - increased reliability
 - less risk of failures
 - longer expected lifetime
 - less maintenance
- Improved quality
- · Increased capabilities
 - higher pipeline operating temperatures
 - low temperature construction in arctic regions
- Environmental concerns
- · Improved life cycle economics
 - material costs
 - construction & operating costs



The GLOBAL LEADER in Pipe Coating Solutions

Strategy for Achieving Pipeline Integrity

- Develop understanding of coating performance requirements
- · Design and select coatings properly
- · Ensure meaningful specifications are written
- Apply coating under optimum process with adequate quality control
- · Carry out construction according to plan
- Operate system within specification
- Periodic monitoring and feedback on performance
- · Research & Development of new technologies

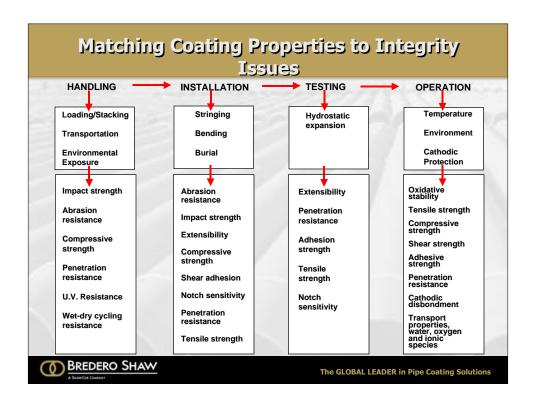


Requirements

CSA Z662:

- 9.2.7.1 properties: coating shall
- a) electrically isolate the external surface of the piping from the environment;
- b) have sufficient adhesion to effectively resist underfilm migration of moisture;
- c) be sufficiently ductile to resist cracking;
- d) have sufficient strength and adhesion to resist damage due to soil stress and normal handling (including bending, concrete coating application, river/swamp weight installation, and anode bracelet installation, where applicable);
- · e) be compatible with cathodic protection;
- f) resist degradation of the coating properties throughout conditions and temperatures encountered during storage, shipping, construction, and operation;
- g) where plant-applied and applicable to the coating system to be used, be in accordance with CSA standard Z245.20 or Z245.21

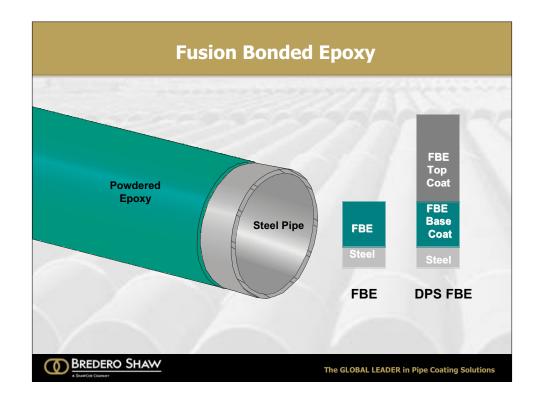


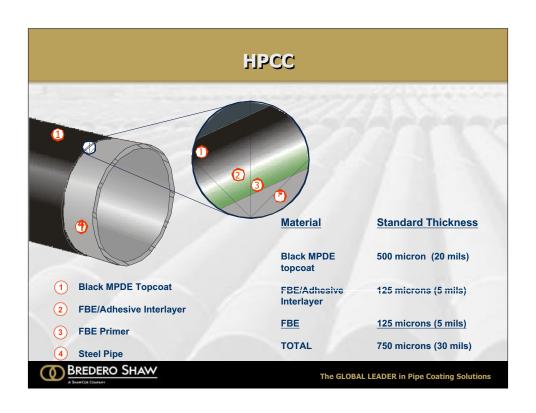


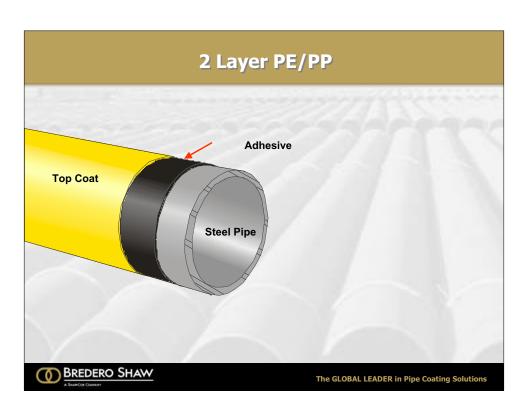
Plant Coating Technologies

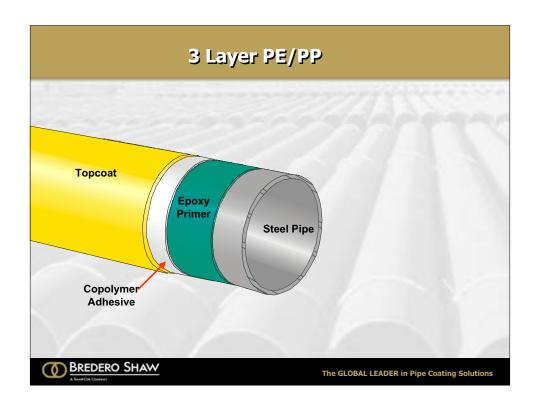
- Powder Applied Coatings
 - FBE
 - · Single layer: corrosion and specialty
 - Multi-layer: abrasion, anti-slip, protective topcoat
 - HPCC
 - Multi-component: FBE, adhesive, PE or PP topcoat
- Extrusion Applied Coatings
 - 2 layer PE/PP
 - · Mastic adhesive, butyl, hot melt
 - 3 layer PE/PP
 - FBE, adhesive, PE or PP topcoat
- Liquid Applied Coatings
 - Polyurethane, epoxy, coal tar enamel, asphalt enamel









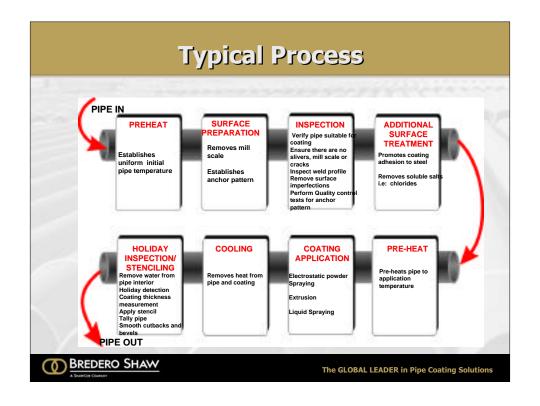


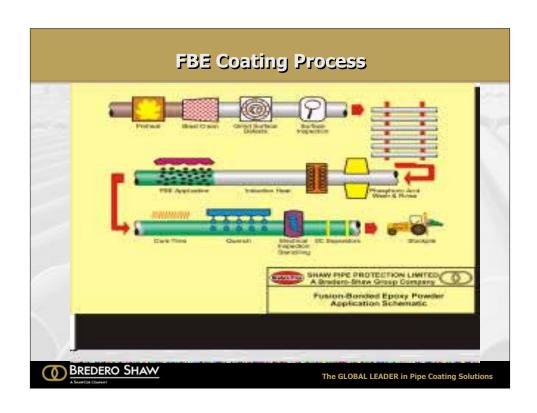
Field Coating Technologies

- Powder Applied Coatings
 - FBE
 - Single layer
 - Multi-layer
 - Multi-component
 - FBE, adhesive, PE or PP topcoat
- Liquid Applied Coatings
 - Polyurethane, epoxy
- Heat Shrink Sleeves
 - Crosslinked PE/PP with/out liquid epoxy
- Others
 - Tapes, sleeves, etc.









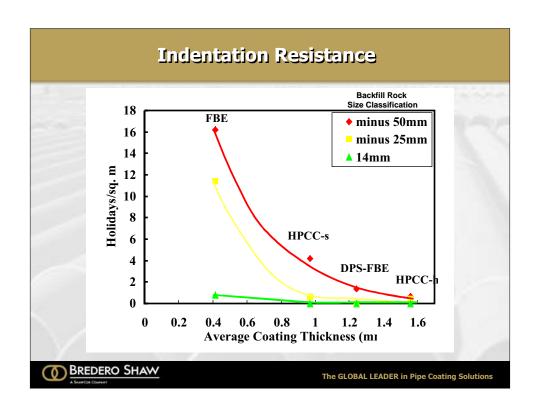
Design & Selection

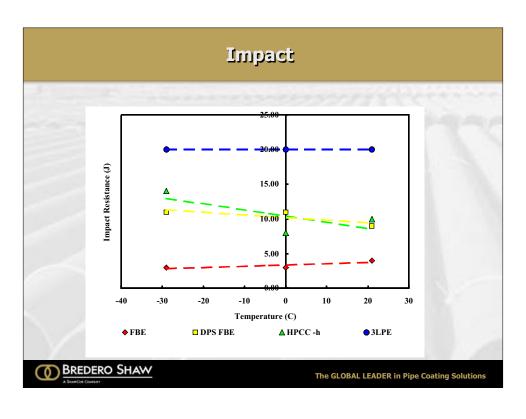
Need better understanding of performance requirements to quantify and select

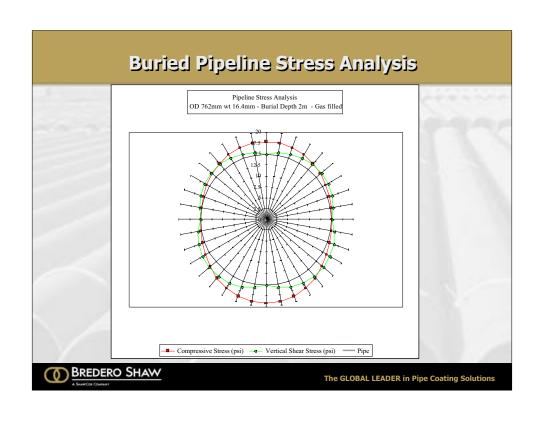
Many studies on various properties, for example:

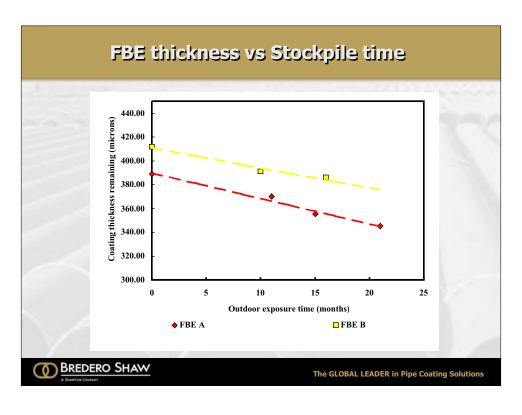
- Impact
- Shear adhesion
- · Thermal aging
- UV degradation
- Cathodic disbondment
- Cathodic protection











Specifications

- Need for standardization
 - Proliferation of company exclusive specifications
 - Many differences, some good, some bad
 - ISO standards being developed
- Need for performance based specifications
 - Define performance requirements not manufacturing process
 - End result can be to stifle innovation, build in mediocrity with poor specifications
- · Need for meaningful specification
 - More requirements, tighter criteria not often better
 - Focus on important properties and limits
 - Can deteriorate into testing project



The GLOBAL LEADER in Pipe Coating Solutions

Manufacturing Issues

- Complex application process
 - Many diverse processes to apply coatings: from heating, surface preparation, materials application
- Little consensus on best process/parameters
 - Some research on various parameters such as profile, contamination, surface treatments
 - Studies often not very conclusive
- Realistic expectations
 - Large heavy part/surface area to be coated
 - Process time limitations (delivery schedules)
 - Cost limitations as % of steel cost
 - Cannot treat in same manner as small components

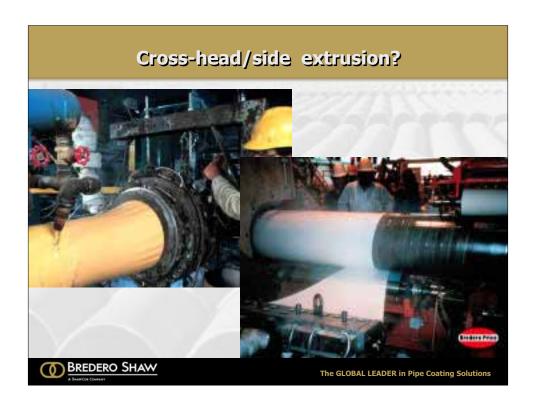


Surface Preparation

- · Most important process in determining coating quality
- Need to determine optimum parameters and how to measure during process
- Many companies do not understand importance
- Some coatings are more sensitive to level of preparation







Manufacturing Issues

- · Not ideal manufacturing process
 - Cannot schedule, inventory management, etc)
- · More similar to project driven business
 - Customer supplied pipe
 - Wait for pipe to be delivered and then coat
- Problems inherent to project driven industries
 - Inefficient if work is not steady
 - Issues on maintenance of skilled labour



Incoming Pipe Quality

- May not be critical for pipeline itself but important for processing and coating application
- Condition of pipe on delivery
 - Wall thickness
 - Roundness
 - Camber
 - Weld profile
 - Steel cleanliness
 - Contamination
 - Joint length
- Steel pipe specification
 - Need to address not only pipeline design issues but also subsequent ability to process for coating



The GLOBAL LEADER in Pipe Coating Solutions

Quality Assurance

- Should be internally driven by coating applicator
 - customer should expect a high level QA program
- · Quality improvement programs
 - awareness
 - preventative
 - inspection and audit
- Use of ISO 9001
 - Program regularly audited by third party



Industry Feedback is Important

- · Assessment of coating performance in independent digs
- Confirmation of predictive analysis on long term coating properties
 - Adhesion
 - Permeability
 - Material properties
- Joint development of corrective strategies
- Operators, contractors, coaters, regulators, and engineering companies need to work as a team

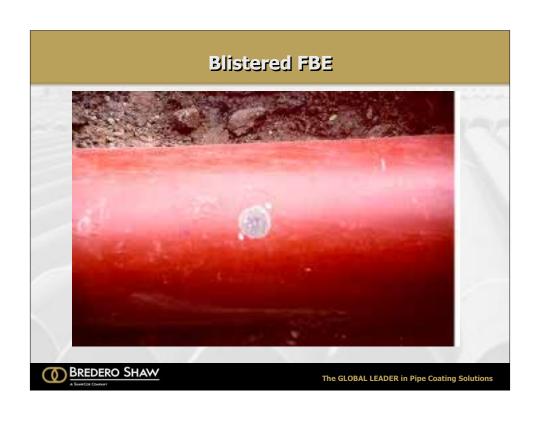


The GLOBAL LEADER in Pipe Coating Solutions

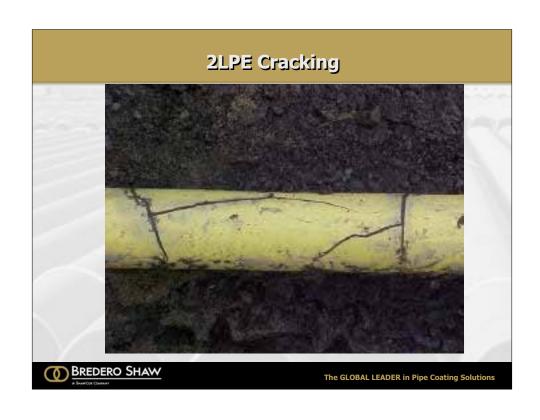
Failure Modes

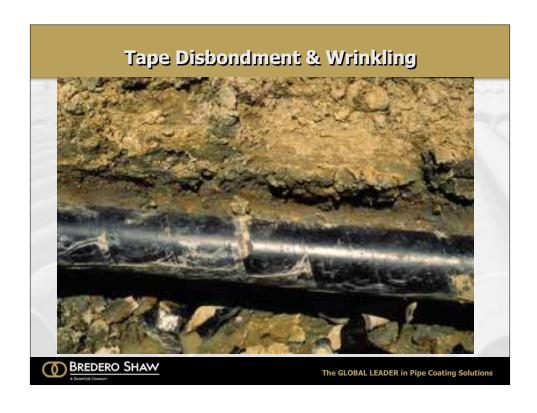
- Damaged Coating
 - Impact damage
 - Cracking
 - Deterioration
- Shielding Disbondment
 - Over the ditch tapes
- Permeable Coating
 - Asphalts and to some extent FBE
- Blistered Coating
 - · Has been observed with FBE
- Disbondment
 - Has been observed with 3 layer PE and PP coatings











Research

- Predictive studies
 - Predictive analysis of properties (long term)
 - Relation of lab measured properties to field performance
 - Development of models to use in design & selection of coatings
- Product/process development
 - New products to reduce failures, increase performance, increase reliability, lower cost
 - Standards need to be flexible to allow new developments
- Failure Analysis
 - Understanding coating failures
 - Blistering
 - Disbondment
 - Cracking



The GLOBAL LEADER in Pipe Coating Solutions

Competitive Issues

- · Protection of innovative technologies
 - Patents, secrecy agreements
- Limits to access
 - Conflicts with end users specifying full access
- Intentional and accidental sharing of technologies
- Protection of R&D investment



Summary

- Design & selection of coatings
- Specification changes
 - ensure steel pipe is compatible to coating process
 - performance based
- Research
 - Develop design & predictive methodologies
 - Feedback of actual coating performance in service
 - New materials and processes to increase performance, reliability and reduce life cycle cost
- Competitive industry
 - Protection of innovative technologies
 - Payback of R&D investment

